GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:811
ANSWERED ON:21.02.2003
LITIGATION CASES IN CENTRAL EXCISE
SUDARSANA E.M. NATCHIAPPAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether there is a increase in the number of cases of litigation between manufacturers and Excise assessing authorities on the ground of interpreting the expressions `Manufacture` and `Marketability` while levying Excise duty under the Central Excise Act, 1944;

(b) if so, the reasons thereof;

(c) the details of the cases where the Supreme Court of India has interpreted the above expressions;

(d) whether the Government have any proposal to amend the Central Excise Act, 1944 to give a precise definition to the above expressions; and

(e) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE & COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN)

(a) & (b): No, Sir.

(c): The Supreme Court interpreted the word `Manufacture` to mean bringing out a new commodity which must be usable, movable, salable and marketable. Though there are several judgments on this issue, the following cases lay the law: (i) Union Of India Vs Delhi Cloth and General Mills Co. Ltd- 1977 (1) E.L.T (J 199) (S.C). and(ii) Moti Laminates Vs Collector of Central Excise - 1995 (76) E.L.T.241.(S.C).

(d) & (e): No, Sir.